



Congresswoman Susan A. Davis

Serving California's 53rd Congressional District

President Obama's Homeowner Affordability and Stability Plan

Mortgage Relief and Assistance

Description

The Obama Administration's Homeowner Affordability and Stability Plan seeks to address the mortgage crisis by (1) bringing together lenders, servicers, borrowers, and the government to encourage loan modifications for at-risk homeowners and (2) providing low-cost refinancing for responsible homeowners hurt by falling home prices.

Eligibility

Loan modifications: You do **NOT** need to be behind on your mortgage payments to be eligible for a loan modification. Borrowers who are struggling to stay current may be eligible if their income is not sufficient to make full payments due to loss of income, drastic increase in other expenses, or an interest rate that will reset to an unaffordable level. To be eligible you must also (a) occupy your house as your primary residence, (b) have a mortgage payment greater than 31% of your gross monthly income, and (c) have a loan below current conforming loan limits. The plan does not require lenders to modify loans, but provides new, significant incentives from the government to encourage them to do so.

Low-cost refinancing: Complete eligibility details will be announced when the program begins in March. The criteria will include having sufficient income to make the new payment, having an acceptable mortgage payment history, and having conforming loans owned or guaranteed by Freddie Mac and Fannie Mae.

How to obtain the benefit

Loan modifications: Most mortgage lenders will evaluate their loan portfolio and identify borrowers who may meet the eligibility criteria. After March 4, they will send letter to potentially eligible homeowners, which may take several weeks. If you think you qualify, contact your mortgage servicer **and** a HUD-approved housing counselor.

Low-cost refinancing: Lenders will begin accepting applications after details of the program are available on March 4, 2009.

Questions or Help

Department of Housing and Urban Development San Diego Office: (619) 557-5305

Housing Opportunities Collaborative: (619) 283-2200

Community HousingWorks Foreclosure Prevention: (619) 282-5468 ext.5468

Office of Congresswoman Susan Davis (619) 280-5353